

## Chapter 204: BASIC SERVICE CALLING AREAS

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SUMMARY: This Chapter establishes the criteria and the procedures that the Commission and Local Exchange Carriers designated as Eligible Telecommunications Carriers will follow to establish and change basic service calling areas.

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## **SECTION 1. PURPOSE AND APPLICABILITY**

A. Purpose. The purpose of this Chapter is to create a statewide system for establishing basic service calling areas (BSCAs) and calling options within those BSCAs that permit customers to select calling rates and rate structures suited to their calling patterns.

B. Applicability. This Chapter applies to all local exchange carriers that are subject to the Commission's jurisdiction and that the Commission has designated as "Eligible Telecommunications Carriers."

## SECTION 2. DEFINITIONS

A. Basic-Service Calling Area. "Basic-Service Calling Area" (BSCA) is the local (non-interexchange) calling area of the "home exchange" of a customer of a "local exchange carrier," as defined in this section. The BSCA includes all exchanges that were in the BSCA prior to the amendments effective in December 2002 plus all exchanges that are contiguous to the home exchange that were not included prior to the December 2002 amendments. Within a BSCA, there may be Economy and Premium calling options with flat-rate and per-minute pricing as specified in the definitions of those options and in Section 5. For all options, the BSCA includes all of the exchanges that are included in the calling option with the largest flat-rate calling area.

B. Commission. "Commission" means the Maine Public Utilities Commission.

C. Contiguous Exchange. An exchange is "contiguous" to another exchange if any portions of the exchange boundaries of the two exchanges touch each other. If the boundaries touch each other only in a body of water, the two exchanges shall not be considered contiguous for the purpose of this Chapter unless a bridge or causeway capable of carrying motor vehicle traffic crosses the body of water and connects land portions of the two exchanges.

D. Customer. For the purpose of this chapter, a "Customer" is a person who has an account for basic local exchange telephone service in Maine from a local exchange carrier.

E. December 2002 Amendments. "December 2002 amendments" refers to the amendments to Chapter 204 effective in December 2002, pursuant to the rulemaking proceeding in Docket Number 2001-865.

F. Economy Calling Option. The "Economy Calling Option" is a basic-service calling area option that has a flat monthly rate for unlimited calling within the home exchange and, unless otherwise ordered by the Commission, all exchanges that were included in the home exchange's Economy calling area immediately before the December 2002 amendments, and a per-minute charge for calls to other exchanges within the BSCA. If an exchange is served by more than one central office or wire center and its Premium calling area includes more than 50,000 access lines, the Economy calling area is the home exchange.

G. Eligible Telecommunications Carrier (ETC). An "Eligible telecommunications carrier" is a local exchange carrier designated by the Commission

pursuant to 47 U.S.C. § 214(e) as an eligible telecommunications carrier for the purpose of receiving universal service funding pursuant to 47 U.S.C. § 254.

H. Exchange. "Exchange" is a specific geographic area with boundaries established by a Telephone Utility's service area maps on file with the Commission as part of the Utility's Terms and Conditions. An exchange may include one or more wire centers or central offices.

I. Home Exchange. The "Home exchange" is the exchange in which the customer's telephone line is located and from which the customer receives local exchange service. For the purpose of this Chapter, if a customer subscribes to foreign exchange service, the "foreign" exchange shall be considered a "home" exchange for that customer. All customers of a "home" exchange may choose one of the basic-service calling area options available in that exchange if more than one is available..

J. Local Exchange Carrier (LEC). For the purpose of this Chapter, "Local exchange carrier" or "LEC" means a telephone utility, as defined by 35-A M.S.R.A. § 102 (19), that provides local exchange service and is designated by the Commission as an "eligible telecommunications carrier." A local exchange carrier provides loop and local switching services, to customers in an exchange, either directly or through resale.

K. Municipal Calling. "Municipal Calling" is provided to all customers of a local exchange carrier as part of basic local exchange service and allows a customer to call all other customers located in the municipal civil division in which the calling customer receives telephone service without incurring additional charges, regardless of the exchange that serves the telephone lines of the other customers.

L. Premium Option. The "Premium Option" is a Basic Service Calling Area option that has a flat monthly rate for unlimited calling from the Home Exchange to the all of the exchanges within the BSCA. Exchanges in which the Premium and the Economy options are identical are classified as having only a Premium calling area..

M. Rate Group. A "rate group" is a rate classification for local exchange service contained in the terms and conditions of a local exchange carrier. A rate group typically classifies rates for the home exchange according to the number of lines that may be called within the BSCA of the home exchange.

N. Residential Customer. A "residential customer" is a customer who has telephone service at a dwelling and the service is used primarily for domestic or social purposes. All other customers are non-residential customers.

O. School Administrative Unit. "School Administrative Unit" is defined in 20-A M.R.S.A. § 1(26). For the purpose of this Chapter, a School Administrative Unit includes School Administrative Districts (SADs), as defined in 20-A M.R.S.A. § 1(25) and Community School Districts, as defined in 20-A M.R.S.A. §§ 1(5) and 1601(1).

P. Service Center. A “Service Center” is a town or city designated by the Maine State Planning Office (SPO) as a regional service center in Chapter 220 of its rules, Methodology For Identification of Regional Service Centers.

Q. Single Exchange BSCA. A “single exchange BSCA” is a Basic-Service Calling Area that includes only the home exchange.

### **SECTION 3. BASIC SERVICE CALLING AREA OPTIONS**

#### **A. Customer Options for Basic Service Calling Areas.**

##### **1. Options Available Following Additions to BSCA.**

a. General Rule. When additional exchanges are added to a BSCA (including pursuant to the December 2002 amendment to this Chapter that requires the inclusion of all contiguous exchanges), flat-rate unlimited calling to those exchanges shall be included in the exchange’s Premium calling option rather than the Economy option.

b. Proposal for Exception. The Commission may grant an exception to the general rule contained in sub-paragraph (a) if it concludes that the inclusion of flat-rate unlimited calling to the new exchanges in the Premium option, rather than in the Economy option, is likely to result in a rate for the Premium Option that is so high that it is likely to deter customers from subscribing to the option. If a LEC proposes this exception, it shall first establish that it cannot address the matter through the rate design for the two options pursuant to Section 5(A). Pursuant to this exception, the Commission may order that flat-rate unlimited calling to some or all of the additional exchanges be added to the Economy option.

##### **2. Options Available After Additions to BSCA If Home Exchange Had Only Premium Option.**

a. General Rule. If, prior to the addition of a new exchange to a BSCA, the home exchange had only a Premium option, the revised Premium option will provide flat-rated unlimited calling to the entire BSCA, and the previous Premium option will become the flat-rated unlimited calling area of the Economy option.

b. Proposal for Exception. At the request of a LEC or other person, the Commission may order that the LEC continue to provide only the premium option if, under the two options, there would be only a minimal difference between the number of exchanges and access lines available on a flat-rate unlimited calling basis.

B. Selection by Customers. A customer of a local exchange carrier may choose from the following options if both are available in the customer’s home exchange:

1. Premium Option, priced at a flat monthly rate for unlimited calling to all of the exchanges included in the BSCA; and

2. Economy Calling Area Option, priced at a flat monthly rate for unlimited calling within the exchanges included in the flat-rated portion of the Economy option and at a per-minute rate for calls made to all other exchanges within the BSCA.

C. Unavailability of Options When Options Identical. If, in a home exchange, both options as defined in Section 2 are identical, the option in that exchange will be classified as Premium.

D. Municipal Calling. Subscribers to all calling options shall receive municipal calling without incurring interexchange toll charges or per-minute charges established pursuant to Section 5(B) of this Chapter.

#### **SECTION 4. IMPLEMENTATION OF BSCA OPTIONS**

A. Filing of Rate Schedules and Terms and Conditions. Within 56 days (8 weeks) following the establishment of any new or changed BSCA, or any additional calling option within a BSCA, each LEC shall file any necessary change to its rate schedules and terms and conditions.

B. Customer Notice. Within 56 days (8 weeks) following Commission approval of any changes in rates or terms and conditions filed pursuant to Section 4(A), Local Exchange Carriers shall send a notice to each customer served by a home exchange in which a change to a BSCA or to a calling option will take place. The LEC shall provide a copy of the notice to the Commission. The notice will provide the following information:

1. A description of the Economy and Premium options, a list of the exchanges included in each option, and the rates for each option, including the flat rates under each option for unlimited calling to the exchanges for which the flat rates apply, and the per-minute rate for calls to the exchanges in the Economy option for which per-minute rates apply;

2. A statement that the customer is entitled to receive municipal calling regardless of which option the customer chooses; and information about

a. How to obtain municipal calling if the customer is presubscribed to interexchange service other than that provided by or through the local exchange carrier; and

b. How to obtain municipal calling or corrections to bills if the customer is presubscribed to interexchange service provided by or through the local

exchange carrier and interexchange toll or per-minute BSCA charges for calls within the customer's municipality incorrectly appear on the customer's bill;

3. A statement that sets a deadline of 56 days (8 weeks) from the mailing of the notice and that advises customers that they may select the Economy or the Premium option prior to the deadline and informs customers of the default option if they do not select. Unless otherwise ordered by the Commission, whenever there is a change in the BSCA options in a home exchange, the default option for customers who have subscribed to an option at the time of change is the option to which a customer is then subscribed.

C. Directory Notice. The information contained in §§4(B)(1) and (2) will appear in the introductory pages of all LEC telephone directories.

D. Implementation Date. Companies will implement Economy and Premium options within 35 days following the deadline for customers to choose a BSCA option under Section 4(B).

E. Telephone Directories. LECs must distribute annually to each customer, at no charge, a telephone directory or directories that include(s) the "white" alphabetical listings for each exchange in the customer's BSCA.

## **SECTION 5. RATES FOR BASIC SERVICE CALLING AREA OPTIONS**

### **A. Rates for BSCA Options**

When a LEC implements new or modified BSCAs, it may propose monthly Economy and Premium option rates for the recovery of additional equipment and administrative costs and revenue losses resulting from the provision of the new or modified BSCA calling options. The Commission shall review and approve the rates. Beyond any rate increase that may occur as a result of a change in a home exchange's rate group, rate increases shall apply to a specific exchange or to several exchanges and to each option as follows:

1. Exchanges. When the BSCA of a home exchange is increased, the LEC may propose:

a. Rates for the home exchange that will recover the costs and revenue losses that occur as a result of the change in the BSCA; or

b. Rates for other exchanges that, in combination with rate increases for the home exchange, will recover some of the costs and revenue losses if the rates for the home exchange under sub-paragraph a would be substantially higher than rates for other exchanges served by the LEC that have equivalent calling areas; or

c. Rates for all or most of the LEC's exchanges that will recover the costs and revenue losses associated with the change in BSCA when it applies generally to all or most of the LEC's exchanges, as when a change in this Chapter requires a systematic change in the definition of BSCAs or calling options.

2. Options. Generally, when the number of exchanges in a BSCA increases, the rates of the option that receives the greater change in flat-rate unlimited calling should increase by a relatively greater amount than the rates for the other option. A LEC may propose a different balance if:

a. Increasing the rates for the economy option would result in rates for the two options that are too similar; or

b. The rates for the premium option would be so high that they would be likely to deter customers from subscribing to that option.

B. Per-Minute Rates for BSCA Exchanges Outside the Flat-Rate Calling Area. Calls made from the home exchange to exchanges that are within the BSCA but not included in the flat-rate unlimited-calling portion of the Economy option shall be priced at five cents per minute for customers who subscribe to the Economy option unless the call is to the same municipality. Once each year, the Commission, after reviewing competitive interexchange market conditions, may adjust the rate.

C. Tracking Account and Filing Requirements for New or Revised Options; Subsequent Rate Adjustments.

1. Tracking Account. Each LEC must maintain a tracking account, by exchange, that records the revenue effects of the BSCA options for the first 12 months after any changes to the BSCA or after BSCA options have been implemented or updated.

2. Reporting Requirements; Rate Adjustments. Within 56 days (8 weeks) after the 12-month tracking period, the Company must file a written report with the Commission that shows the revenue effects of the BSCA options for the first 12 months after a change to the BSCA or after a BSCA calling option has been added or changed. If the tracking account has a positive balance, the LEC must file a proposal to return the excess to customers and to lower prospective rates with its report. If the tracking account has a negative balance, the LEC may file proposed rates for Commission review to recover the shortfall that occurred during the 12-month deferral period and for the period following the 12-month deferral period but prior to the effective date of any revised rates, and to adjust prospective rates to avoid a similar revenue shortfall in the future. Following review, the Commission, as provided in 35-A M.R.S.A. § 1306(1), may approve or disapprove the proposed rates or may substitute other rates that it finds are just and reasonable.



**SECTION 6. REQUESTS FOR CHANGES TO BSCAs AND CALLING OPTIONS**

A. Requests by Local Exchange Carrier. A LEC may ask the Commission to modify the BSCA for an exchange or any calling option for that exchange, notwithstanding any other provision of this Chapter.

1. Contents of Request. The LEC must make the request in writing. The request must explain and justify why the Commission should grant the request, must propose a reasonable alternative to any requirement of the Rule that the LEC has proposed should not apply, and must describe how granting the request would be consistent with the purpose of this Rule. The LEC must send a copy of the request to the Public Advocate.

2. Consideration by Commission. The Commission will determine whether and how to solicit comments from interested persons. The Commission, at its discretion, may hold a hearing. The Commission will consider the LEC's written request, any comments or testimony, or other evidence, and the standards contained in subsection C, in determining whether to grant, deny, or modify the request.

B. Requests by Customers. Customers may request the Commission to modify the BSCA for an exchange or any calling option for that exchange, notwithstanding any other provision of this Chapter. Customers must first ask the LEC to attempt to resolve their concerns. If the LEC is unable or unwilling to resolve the customers' concerns, the customers may request the Commission to change the BSCA of a home exchange or the calling options available in that exchange as follows:

1. Form of Request. Fifty customers in the same exchange may request a modification to the BSCA for that exchange or to calling options for that BSCA. The customers must make the request in writing, and must include the names, addresses, telephone numbers, and signatures of each customer of the exchange who is making the request. The request must identify the lead customer, who will serve as the principal point of contact for the petitioners. The request should set forth the circumstances justifying the request, including any efforts made by the petitioners to obtain relief from the LEC.

2. Procedure for Requests from Customers in a Single Exchange BSCA. For requests from customer in a single exchange BSCA, the Commission will open a proceeding to investigate expanding the BSCA that is the subject of the request and will hold at least one public hearing. Within six (6) months of the filing of the written petition, the Commission will issue an order that either expands the BSCA or states the Commission's reasons for declining to expand the basic service calling area. In making its determination, the Commission will consider the customers' written request, and any comments, testimony, or other evidence, and the standards contained in subsection C.

3. Procedure for Requests from Customers in Other Exchanges. For requests from customers from an exchange that is not a single exchange BSCA, the

Commission will determine whether and how to solicit comments from interested persons. The Commission, at its discretion, may hold a hearing. The Commission will consider the customers' written request, any comments, testimony or other evidence, and the standards contained in subsection C, in determining whether to grant, deny, or modify the request.

C. Standards Applicable to Requests for Expansion.

1. Calling Volumes. The Commission may require the affected LEC(s) to conduct a study of residential customer calling volumes to any exchange that the LEC or customers have requested be included in a BSCA option. If, in a representative month, residential customers in the home exchange make an average of three calls a month, and 40% of those customers make two or more calls a month to the requested exchange, the Commission shall grant the request for the change in the BSCA unless it finds good cause to deny the request.

2. Other Considerations. The Commission shall apply the following standards to requests submitted under this Section. The Commission may grant a request for the expansion of the BSCA or for the addition of exchanges on a flat-rate unlimited-calling basis to one of the calling options for the BSCA if it determines that a sufficient community of interest exists between the community or communities located in the customers' home exchange and the community or communities located in the exchanges that the customers propose to add to the basic-service calling area or to a calling option, and if the Commission determines that the benefits are not outweighed by other factors. In determining whether a sufficient community of interest exists, the Commission will consider both social and economic factors including, but not limited to, the extent of the relationship between the two communities, employment patterns, the location of medical service providers, the location of regional service centers, the location of schools, the municipalities and other areas that are included in school administrative units, the percentage of people from the exchange requesting the modification, the seasonality of calling patterns, the level of community sentiment, whether the exchange is a "skipped-over" exchange, and the level of disparity between customers making a large number of calls to the proposed community and customers making no calls to that community. Other factors the Commission may consider in deciding whether to grant a customer request include, but are not limited to, the availability of optional toll calling plans and the number of subscribers to those plans, the number of lines currently served, the cost, revenue and rate impacts of expanding the calling area, and the availability of alternatives to traditional telephone services.

## **SECTION 7. WAIVERS**

The Commission, on its own motion or on the request of any person, may waive any provision of this rule that is not addressed by the provisions of Section 6.

STATUTORY AUTHORITY: 35-A M.R.S.A. §§ 104, 111, 301, 7303-A

EFFECTIVE DATE:

The Attorney General approved the form and legality of this Rule on June 20, 1994. It was filed with the Secretary of State on June 20, 1994 and is effective on June 25 1994.

EFFECTIVE DATE (ELECTRONIC CONVERSION):

May 4, 1996

AMENDMENTS:

The Attorney General approved the form and legality of this Rule as amended on October 9, 2001. It was filed with the Secretary of State on October 9, 2001 and became effective on October 14, 2001.

The Attorney General approved the form and legality of this Rule as further amended on December 11, 2002. It was filed with the Secretary of State on December 12, 2002 and became effective on December 17, 2002.